

To the Honorable Council City of Norfolk, Virginia

March 28, 2017

From:

David S. Freeman, AICP

Director of General Services

Subject: Encroachment Agreement with BobColley, LLC, BarbaraColley, LLC, ArthurColley, LLC, and EDHolding, LLC for

Outdoor Dining at 1501 Colley Avenue

Reviewed:

Deputy City Manager

Approved:

Item Number:

Ward/Superward: 2/6

R-02

Douglas L. Smith, Interim City Manager

Recommendation: Adopt Ordinance 1.

II. Applicant: BobColley, LLC, BarbaraColley, LLC, ArthurColley, LLC, and EDHolding, LLC

c/o: Stein Investment Group 5607 Glenridge Drive, Suite 200

Atlanta, GA 30342

III. Description:

> This agenda item is to grant BobColley, LLC, BarbaraColley, LLC, ArthurColley, LLC, and EDHolding, LLC ("Grantees") permission to continue encroaching into the City of Norfolk's (the "City's") right-of-way at 1501 Colley Avenue, with an area measuring approximately 215 square feet for the purpose of outdoor dining and for no other purpose.

IV. Analysis

> This encroachment will permit the Grantees and their tenant, Chipotle, to continue to utilize this area for outdoor dining in addition to the establishment's indoor seating options. The term of the encroachment is to be no longer than five (5) years, commencing on April 1, 2017, or the date of any authorizing ordinance, and terminating on March 31, 2022. The permission granted for this encroachment is subject to the right of revocation by the Norfolk City Council.

#### ٧. **Financial Impact**

Encroachment Fee (to be paid by tenant, Chipotle)	Annual Rent: \$1,290.00 (\$107.50 – to be paid monthly)
Liability insurance (to be paid by tenant, Chipotle)	The City has been named as an additional insured in the amount of \$1,000,000 per occurrence; therefore, there should be no financial risk to the City

#### VI. Environmental

There are no known environmental issues associated with this property.

## VII. Community Outreach/Notification

Public notification for this agenda item was conducted through the City's agenda notification process.

#### VIII. Board/Commission Action

N/A

#### IX. Coordination/Outreach

This letter and ordinance have been coordinated with the Department of General Services – Office of Real Estate and the City Attorney's Office.

## Supporting Material from the City Attorney's Office:

- Ordinance
- Proposed Encroachment Agreement

2/2/2017 - wld

Form and Correctness Approved

Office of the City Attorney

NORFOLK, VIRGINIA

Contents Approved:

Ву \_\_\_

DEPT. General Services

### ORDINANCE No.

AN ORDINANCE GRANTING BOBCOLLEY, LLC, BARBARACOLLEY LLC, ARTHURCOLLEY, LLC AND EDHOLDING, LLC PERMISSION TO ENCROACH INTO THE RIGHT-OF-WAY AT 1501 COLLEY AVENUE APPROXIMATELY 215 SQUARE FEET FOR THE PURPOSE OF OUTDOOR DINING AND APPROVING THE TERMS AND CONDITIONS OF THE ENCROACHMENT AGREEMENT.

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the terms and conditions of the Encroachment Agreement between the City of Norfolk, Bobcolley, LLC, Barbaracolley, LLC, Arthurcolley, LLC and Edholding, LLC ("Grantees"), a copy of which is attached hereto as <a href="Exhibit A">Exhibit A</a>, are hereby approved, and in accordance therewith, permission is hereby granted to the Grantees to encroach into the right-of-way at 1501 Colley Avenue approximately 215 square feet for the purpose of outdoor dining and for no other purpose.

Section 2:- That the City Manager and other proper officers of the City are hereby authorized to execute the Encroachment Agreement and do all things necessary for its implementation.

Section 3:- That the City Manager is further authorized to correct, amend or revise the Encroachment Agreement as he may deem advisable consistent with the intent of the Council as expressed therein.

Section 4:- That this ordinance shall be in effect from and after its adoption.



#### **ENCROACHMENT AGREEMENT**

This ENCROACHMENT AGREEMENT ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_\_, 2017, by and between the CITY OF NORFOLK, a municipal corporation of the Commonwealth of Virginia ("City"), and BOBCOLLEY, LLC, BARBARACOLLEY, LLC ARTHURCOLLEY, LLC AND EDHOLDING, LLC, all of which are Virginia limited liability companies ("Grantees"), whose address is 5607 Glenridge Drive, Suite 200, Atlanta, Georgia 30342.

#### WITNESSETH:

- 1. **ENCROACHMENT AREA:** City hereby grants permission to Grantees to encroach into the right-of-way at 1501 Colley Avenue approximately 215 +/- square feet, as shown on Exhibit A attached hereto ("Encroachment Area"), for the purpose of outdoor dining and for no other purpose.
- 2. <u>USE:</u> Grantees, and their tenant(s), shall be permitted to occupy the Encroachment Area for outdoor dining purposes in conjunction with the operation of a dining establishment.
- 3. **TERM; TERMINATION:** The term of the permission to encroach granted hereby shall be no longer than five (5) years and shall commence on April 1, 2017, or upon the effective date of any authorizing ordinance, whichever shall last occur, and shall terminate on March 31, 2022. However, it is expressly understood that the permission granted hereby is subject to the right of revocation by the Norfolk City Council, and that in the event of such revocation Grantees, and their tenant(s), shall remove the encroaching structures and shall cease using the Encroachment Area.
- 4. <u>COMPENSATION:</u> As compensation for the privilege of encroaching into the right of way, Grantees shall pay City an annual encroachment fee in the amount of **One Thousand**Two Hundred Ninety and 0/100 Dollars (\$1,290.00) to be paid in monthly installments of **One**

Hundred Seven and 50/100 Dollars (\$107.50), beginning on the first day of April, 2017, or the day the ordinance is effective, whichever is later. The encroachment fee shall be paid by check payable to the "Norfolk City Treasurer" and sent to the Department of General Services, 232 E. Main Street, Suite 250, Norfolk, VA 23510, Attn: Mr. Jim Resolute.

- 5. **LATE FEES:** For any late payments received fifteen (15) days after the first of each month, Grantees shall pay a late fee of five percent (5%) of the amount not paid when due.
- 6. <u>UTILITIES:</u> City shall not be responsible for utilities of any type used within the Encroachment Area. Grantees shall pay all utility meter and utility services charges for all utilities, including but not limited to, gas, electricity, water, telephone, sewer, and any other utilities necessary to serve the Encroachment Area.
- 7. **REPAIRS:** Grantees, and their tenant(s), shall keep and maintain the Encroachment Area in good and complete state of repair and condition. Grantees, and their tenant(s), shall make all repairs and replacements of every kind to the sidewalks and paved areas of the Encroachment Area in order to preserve and maintain the condition of the Encroachment Area. All such repairs and maintenance shall be performed in a good and competent manner, be at least equal in quality and usefulness to the original components, and not diminish the overall value of the Encroachment Area.
- 8. **REQUIREMENTS OF PUBLIC LAWS:** Grantees, and their tenant(s), shall suffer no waste or injury to the Encroachment Area and shall comply with all federal, state, and municipal laws, ordinances and regulations applicable to the structure, use, and occupancy of the Encroachment Area. In addition, Grantees, and their tenant(s), shall be responsible for the correction, prevention and abatement of nuisances, violations or other grievances in, upon or connected with the Encroachment Area.

9. RIGHT TO ENTER AND CURE: City shall retain the right to enter upon the Encroachment Area at any time for the purpose of inspecting the Encroachment Area, ascertaining compliance with this Agreement, and making any repairs, which City deems necessary because of any failure of Grantees, and/or their tenant(s), to meet their obligations under this Agreement. The cost of any such repairs shall be deemed additional compensation payable to the City on demand. Any entry upon the Encroachment Area for cure and repair shall be accomplished by City at reasonable times and in the exercise of reasonable discretion by the City. The making of any repairs by City shall not constitute a waiver by City of any right or remedy upon Grantees', and/or their tenant(s)', default in making repairs.

10. **NOTICE:** Any notice shall be in writing and shall be delivered by hand or sent by United States Registered or Certified Mail, postage prepaid, addressed as follows:

City: Department of General Services

Attn: Mr. James Resolute, Jr. 232 E. Main Street, Suite 250 Norfolk, Virginia 23510

Grantees: c/o Stein Investment Group

5607 Glenridge Drive, Suite 200

Atlanta, Georgia 30342

With copies to: City Attorney

900 City Hall Building

810 Union Street

Norfolk, Virginia 23510

Either party hereto may change their address to which said notice shall be delivered or mailed by giving notice of such change as provided above. Notice shall be deemed given when delivered (if delivered by hand) or when postmarked (if sent properly by mail).

11. **DESTRUCTION:** If the encroaching structures or any part thereof shall be damaged or destroyed by fire, lightning, vandalism, or by any other casualty or cause, the

permission granted hereby shall be automatically terminated unless the parties agree, in writing, to continue to permit the encroachments granted by this Agreement.

- NON-LIABILITY OF CITY: City shall not be liable for any damage or injury which may be sustained by Grantees, their tenant(s), or any other person as a consequence of the failure, breakage, leakage or obstruction of the water, plumbing, steam, gas, sewer, waste or spoil pipes, roof, drains, leaders, gutters, valleys, downspouts or the like, or of the electrical, ventilation, air conditioning, gas, power, conveyor, refrigeration, sprinkler, hearing or other systems, elevators or hoisting equipment, if any, upon the Encroachment Area, or by reason of the elements, or resulting from acts, conduct or omissions on the part of Grantees, their tenant(s), or their agents, employees, guests, licensees, invitees, assignees or successors, or on the part of any other person or entity.
- 13. **REMOVAL OF SNOW:** Grantees, and their tenant(s), agree to remove or cause to be removed, as the need for the same arises, snow and ice from the Encroachment Area.
- 14. ALTERATIONS: Grantees, and their tenant(s), covenant and agree that they will not make any improvements, changes installations, renovations, additions, or alterations in and about the Encroachment Area without the prior written consent of the City other than the approval given by Norfolk's Design Review Committee and Norfolk's Planning Commission. If Grantees, and/or their tenant(s), install or make any improvements, additions, installations, renovations, changes on or to the Encroachment Area with the approval of City, Grantees, and their tenant(s), hereby agree to remove, if requested by City, any improvements, additions, installations, and renovations, changes on or to the Encroachment Area upon termination of this Agreement. In the event Grantees, and/or their tenant(s), fail to remove the improvements, additions, installations, renovations, and changes on or to the Encroachment Area when requested to do so by City, then the City may remove the improvements, additions, installations, and changes.

Grantees, and their tenant(s), shall be jointly and severally liable for paying for the cost of such removal.

- 15. **ASSIGNMENT AND SUBLETTING:** City and Grantees agree that the permission to encroach granted hereby is for the benefit of Grantees and their tenant(s), and may not be assigned by Grantees without express authorization by the City. Further, upon Grantees' lease of the premises (adjoining the Encroachment Area) to a tenant, Grantees shall have any such tenant execute a copy of this Agreement, acknowledging acceptance of the terms and conditions set forth herein.
- Encroachment Area to City and remove all goods and chattels and other personal property therefrom upon termination of the permission granted hereby. Grantees, and their tenant(s), shall return the Encroachment Area to the City in as good order and condition as it was at the beginning of Grantees' use of the Encroachment Area. If Grantees, and their tenant(s), have been requested to remove and fail to remove all items from the Encroachment Area upon termination hereof, City is authorized to remove and dispose of any such personal property and Grantees, and their tenant(s), shall be jointly and severally liable to City for the cost of any removal and disposal.
- effect Commercial General Liability ("CGL") insurance with a combined single limit policy of bodily injury, death and property damage insurance of One Million and 0/100 Dollars (\$1,000,000) per occurrence and Two Million and 0/100 Dollars (\$2,000,000) general aggregate insuring against all liability arising out of the use, occupancy, or maintenance of the Encroachment Area and appurtenant areas. CGL insurance shall be written on an approved ISO form for coverage in the Commonwealth of Virginia, and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury, and liability assumed

under insured contract. The City, its officers, employees, agents and representatives shall be named as additional insured on any such policy. Coverage shall be evidenced by a Certificate of Insurance provided to the City within thirty (30) days after adoption of this Agreement. All insurance policies and certificates shall provide for thirty (30) days advance notice in writing to City if the insurance is cancelled or modified. Grantees, and their tenant(s), shall inform the City Attorney and the Department of General Services within fifteen (15) days of receiving such notice or cancellation, and immediately obtain coverage compliant with this agreement.

Further, Grantees, and their tenant(s), shall maintain the applicable statutory Workers' Compensation Insurance, and Employer's Liability Insurance with a limit of at least \$500,000 per accident/disease, and policy limit of \$500,000 covering any of Grantees' employees, as well as their tenant's employees, whose work occurs within the premises which are subject to this agreement.

- 18. <u>INDEMNIFICATION</u>: Grantees, and their tenant(s), shall indemnify and save harmless City from all fines, penalties, costs, suits, proceedings, liabilities, damages, claims and actions of any kind arising out of the use and occupation of the Premises by reason of any breach or nonperformance of any covenant or condition of this Agreement by Grantees, or their tenant(s), or by Grantees', or their tenant(s)', intentional act or negligence, and not caused in whole or in part by City. This indemnification shall extend to all claims of any person or party for death or injury to persons and damage to any property, and to legal expenses, including reasonable attorney's fees, incurred by City in the defense of such claims or incurred by City as a result of a breach of any provision of this Agreement by Grantees, and/or their tenant(s), but does not extend to circumstances caused in whole or in part by City.
- 19. **FIXTURES:** City covenants and agrees that no part of the improvements constructed, erected or placed by Grantees, or their tenant(s), in the Encroachment Area shall be

or become, or be considered as being, affixed to or a part of the right of way, and any and all provisions and principles of law to the contrary notwithstanding, it being the specific intention of City and Grantees, and their tenant(s), to covenant and agree that all improvements of every kind and nature constructed, erected or placed by Grantees, and/or their tenant(s), in the Encroachment Area shall be and remain the property of Grantees, and/or their tenant(s), unless such improvements are not removed upon termination of this Agreement.

#### 20. **ENVIRONMENTAL:**

- (a) For purposes of this section:
- (i) "Hazardous Substances" include any pollutants, dangerous substances, toxic substances, hazardous wastes, hazardous materials or hazardous substances as defined in or pursuant to the Resource and Conservation Recovery Act (42 U.S.C. § 6901 et seq.) (RCRA), the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.) (CERCLA) or any other federal, state, or local environmental law, ordinance, rule or regulation.
- (ii) "Release" means releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injection, escaping, leaching, disposing, or dumping.
- (iii) "Notice" means any summons, citation, directive, order, claim, litigation, investigation, proceeding, judgment, letter or other communication, written or oral, actual or threatened, from any authority of the Commonwealth of Virginia, the United States Environmental Protection Agency (USEPA) or other federal, state or local agency or authority, or any other entity or any individual, concerning any intentional act or omission resulting or which may result in the Release of Hazardous Substances into the waters or onto the lands of the Commonwealth of Virginia, or into waters outside the jurisdiction of the Commonwealth of Virginia or into the "environment," as such terms are defined in CERCLA. "Notice" shall include

- (d) The requirements of this section shall apply to any successor in interest to Grantees, and/or their tenant(s), whether due to merger, sale of assets or other business combination or change of control.
- (e) Grantees, and their tenant(s), hereby agrees to defend (with counsel satisfactory to City) and indemnify and hold City harmless from and against any and all claims, losses, liabilities, damages and expenses (including, without limitation, reasonable cleanup costs and attorney's fees arising under this indemnity) which may arise directly or indirectly from any use or Release of Hazardous Substances in the Encroachment Area and losses and claims against City resulting from Grantees', and/or their tenant(s), failure to comply strictly with the provisions of this section. The provisions of this section shall survive the termination of this permission granted by this Agreement.
- (f) City agrees that Grantees shall not be responsible or liable for environmental conditions existing on or about the Encroachment Area prior to the occupancy by the Grantees and/or their tenant(s).
- 21. <u>LIENS OR ENCUMBRANCES</u>: If because of any act or omission of Grantees, and/or their tenant(s), any mechanic's lien or other lien, charge or order for the payment of money shall be filed against any portion of the Encroachment Area, Grantees, and their tenant(s), shall, at their own cost and expense, cause the same to be discharged of record or bonded within ninety (90) days after written notice from the City to Grantees, and/or their tenant(s), of the filing thereof, and Grantees, and/or their tenant(s), shall have the right to contest the validity of such lien if they so choose.
- 22. <u>APPLICABLE LAW:</u> The permission granted by this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. Any

suit or legal proceeding relating to permission granted hereby shall be brought only in the state or federal courts located in Norfolk, Virginia.

Grantees, and their tenant(s), mutually waive their rights to trial by jury in any action, proceeding, or counterclaim brought by either party against the other with respect to any dispute or claim arising out of the permission to encroach granted to Grantees, and their tenant(s), by this agreement.

#### 24. OTHER REQUIREMENTS:

- (a) Grantees, and their tenant(s), shall comply with the City of Norfolk's Outdoor Dining Policy, as amended from time to time.
- (b) Grantees, and their tenant(s), shall comply with all requirements of the City of Norfolk Department of Public Health with respect to the use of the Encroachment Area.
- (c) The use of the Encroachment Area shall be subject to the jurisdiction and review of the City of Norfolk's Design Review Committee.
- (d) Grantees', and their tenant(s)', use of the Encroachment Area shall not interfere with any water meters or sewer cleanouts.
- (e) A trashcan compatible in design and style with the table and chairs will be provided for the outdoor dining, and trash shall be removed daily.
- (f) Tables and chairs will be arranged according to plan approved by Norfolk's Design Review Committee.
- 25. <u>TITLES AND HEADINGS</u>: Titles and headings are inserted in this Agreement for reference purposes only, and shall not be used to interpret the Agreement.
- 26. <u>SEVERABILITY</u>: Each provision of this Agreement must be interpreted in a way that is valid under applicable law. In the event that any provision or portion of this Agreement is

determined by a court of competent jurisdiction to be void, invalid, or otherwise unenforceable, such provision or portion shall be deemed reformed, insofar as is possible, to cure the defect and give maximum effect to the intent of the City and Grantees, and their tenant(s), entering into this Agreement, and in any event the remainder of the Agreement shall continue in full force and effect.

27. ENTIRE UNDERSTANDING: This Agreement constitutes the entire understanding between or on behalf of the City and Grantees, and their tenant(s), and supersedes any prior understandings and/or written or oral agreements between them or on their behalf respecting the subject matter herein. There are no representations, agreements, arrangements, or understandings, oral or written, between and among the parties hereto relating to the subject matter of this Agreement, which are not fully expressed herein.

This Agreement may be modified or amended only by a writing signed and dated by both parties. All amendments shall be incorporated and made a part of this Agreement, and attached hereto.

- 28. <u>SUCCESSORS AND ASSIGNS</u>: In the event Grantees assigns, conveys, sells, or otherwise disposes of their interest in the property located at Grantees Granby Street to a party other than an affiliated entity, the permission granted by this Agreement shall immediately terminate. Any such successor in interest to Grantees that desires to encroach into the right-of-way must submit a new application for approval by the City.
- during which any term of this Agreement is in effect, Grantees, and their tenant(s), do not and shall not knowingly employ any unauthorized alien. For purposes of this section, an "unauthorized alien" shall mean any alien who is neither lawfully admitted for permanent residence in the United States nor authorized to be employed either by Title 8, Section 1324a of the United states Code or the U.S. Attorney General.

- 30. <u>AUTHORITY TO EXECUTE</u>: The terms of this Agreement are contractual and not mere recital, and the individuals executing this Agreement hereby represent and warrant that they have full and complete authority to covenant and agree as herein provided and to execute this Agreement on behalf of the Parties hereto.
- 31. <u>AUTHORIZATION TO TRANSACT BUSINESS IN THE</u>

  <u>COMMONWEALTH:</u> Grantees, and their tenant(s), hereby represent that they are organized as a stock or non-stock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership and is authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 or as otherwise required by law.
- 32. <u>COUNTERPARTS</u>: The Agreement may be signed in counterparts. The Parties hereto agree that facsimile or email signatures shall have the full force and effect of original signatures.

IN WITNESS WHEREOF, the parties hereto have executed or have caused this Encroachment Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

(SIGNATURE PAGES FOLLOW)

## CITY OF NORFOLK

	By:		
	By: Interim City Mar	nager	
Attest:			
City Clerk			
COMMONWEALTH OF VIRGINIA CITY OF NORFOLK, to-wit:			
I,, a Name of Commonwealth of Virginia, do hereby certified Breckenridge Daughtrey, City Clerk, respect signed to the foregoing Encroachment Agree City and State aforesaid.	y that Douglas L. Smit rively, of the City of N	th, Interim City Manager, an orfolk, whose names as such	d R.  are
Given under my hand this day of	of	, 2017.	
	Notary Public Registration:		
Approved as to Contents:			
Director of General Services	_		
Approved as to Form and Correctness			
Deputy City Attorney	-		

# BOBCOLLEY, LLC

	By:	
	Name (Printed):	
	Title:	
STATE OF		
CITY OF,	to-wit:	
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the State of	do hereby certify that =	is signed to the foregoing
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Encroachment Agreement, has acknow	ledged the same before me in in	identification
He/She is personally known to me or ha	is produced a driver's license as	identification.
Given under my hand this	day of	2017
Given under my nand this	day of	, 2017.
	Notary Public	
	Registration.	
	BARBARACOLLEY, L	IC
	BARBARACOLLET, L	ill C
	By:	
	Name (Printed):	
	Title:	
	-	
STATE OF		
STATE OF,	to-wit:	
I, a N	lotary Public in and for the City	of , in
the State of,	do hereby certify that	-
(Title)	of Barbaracolley, LLC, who	se name is signed to the
foregoing Encroachment Agreement, h	as acknowledged the same befo	re me in my City and State
aforesaid. He/She is personally known	to me or has produced a driver's	license as identification.
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Given under my hand this	day of	, 2017.
Given under my nume uns		
	Notary Public	
	Registration:	

# ARTHURCOLLEY, LLC

	By:	
	Name (Printed):	
	Title:	
STATE OF		
STATE OF	_, to-wit:	
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the State of	, do hereby certify that	
(Title	e) of Arthurcolley, LLC, whose	name is signed to the foregoing
Encroachment Agreement, has acknowledge	owledged the same before me i	n my City and State aforesaid.
He/She is personally known to me or	has produced a driver's license	as identification.
Given under my hand this	day of	, 2017.
	Notary Public	
	Registration:	
	EDHOLDING, LLC	
	P	
	Name (Printed):	
	Title:	
STATE OF		
CITY OF	, to-wit:	
	N . D 111 1641- 6	City of , in
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the State of	, do hereby certify that le) of Edholding, LLC, whose n	
(Tit	le) of Edholding, LLC, whose n	iame is signed to the foregoing
Encroachment Agreement, has ackr	nowledged the same before me	in my City and State aforesaid.
He/She is personally known to me o	r has produced a driver's license	e as identification.
		2017
Given under my hand this _	day of	, 2017.
	Matam. Dublic	
	Notary Public	
	Registration:	

# Tenant Endorsement and Acceptance:

		Tenant:	
		By:	
STATE OF	, to-wit	Title:	
I,	, a N	otary Public in and for the City of _ do hereby certify that	,
signed to the foregoing E and State aforesaid. He identification.	ncroachment A /She is person	Fitle) of	ne before me in my City d a driver's license as
Given under my	hand this	day of	_, 2017.
		Notary Public Registration:	

